

Congress of the United States
House of Representatives
Washington, DC 20515

April 25, 2018

The Honorable Greg Abbott
Governor
State of Texas
P.O. Box 12428
Austin, Texas 78711-2428

Dear Governor Abbott:

In the past few years, Texas has made great strides in decreasing the number of uninsured individuals in the state, but we can do better. Despite the gains made in recent years, Texas still has the highest number of uninsured individuals in the nation. Since passage of the Affordable Care Act, over 1.7 million Texans have obtained healthcare coverage, yet those gains have declined to only 1.1 million Texans enrolling in 2018, with even more Texans at risk of losing coverage in the future. The current administration is working to advance policies that depress enrollment in the individual health insurance market, and raise premiums and out of pocket costs for middle class families. In addition, the current administration cut funding for Marketplace advertising by 90 percent, slashed in-person assistance through the navigator program, and increased premiums for middle class families by unilaterally refusing to pay cost sharing reductions. These actions have had devastating consequences for families in Texas and around the country. According to the latest data from Gallup, 3.2 million fewer Americans had health insurance coverage during the first year of the Trump Administration, relative to 2016.

The repeal of the individual mandate beginning in 2019 and proposed regulations on short-term limited-duration (STLD) plans and association health plans will further destabilize the individual market and raise costs for American families. According to a recent analysis conducted by the Urban Institute, the elimination of the individual mandate, coupled with the Administration's efforts to repeal and replace the ACA, will increase 2019 premiums by 18.2 percent on average (in states that do not prohibit or limit short term plans), and will result in 6.4 million more uninsured Americans in 2019.¹ The analysis estimates that the state of Texas will see an estimated 4.4 percent increase in the number of uninsured. In addition, premiums in ACA compliant plans in Texas would increase by 20.2 percent due to the expansion of STLD plans and the elimination of the individual mandate.

¹ Linda J. Blumberg et. al, *The Potential Impact of Short-Term Limited-Duration Policies on Insurance Coverage, Premiums, and Federal Spending* (Feb. 2018) (www.urban.org/sites/default/files/publication/96781/stdld_draft_0226_finalized_0.pdf).

Together we can help more Texans keep their insurance and limit the burden on taxpayers. Texas is among 18 states that have yet to expand Medicaid to a greater number of its residents. I encourage you to work with the Texas legislature to expand Medicaid to fellow Texans who most need it, but oftentimes can least afford it.

There are a number of other actions at the state level that would help increase coverage and improve the affordability of care for families in our state. I urge you to work to implement some or all of these options to help ensure stability and lower costs for our residents. Six potential options are listed below:

Protect state residents by limiting the sale of sub-par junk insurance plans.

The current administration has weakened consumer protections by allowing plans to be sold that do not meet basic benefit or financial protection standards. These plans would return patients to the days where only upon illness did they discover their plans imposed unreasonable limits on coverage and excluded needed benefits. In the past, consumers faced more than \$100 million in unpaid claims when companies purporting to sell insurance became insolvent. In addition, expanding access to such insurance plans negatively affects the risk pool in the ACA-compliant market, thereby increasing premiums for middle class families. While federal regulations have loosened, strong state protections can prevent such plans from appearing in the state market to scam unknowing customers. For example, states could blunt the destabilizing effect of a proposed regulation on short-term limited duration plans by requiring that these plans comply with key consumer protections, or by limiting the duration of these plans and preventing renewals.² Governors and Insurance Commissioners can act pre-emptively to keep bad actors out of the insurance market.

Boost coverage (and lower costs) by increasing outreach, enrollment and marketing.

States can increase efforts to connect consumers to coverage and increase awareness of the insurance marketplaces. While the current Administration dramatically cut the budget for marketing and outreach, and has refused to use funds designated for these purposes, states can and should boost on the ground efforts, including marketing targeted at hard-to-reach groups. Awareness of the marketplaces and available financial assistance remain very low, and younger and healthier consumers are more likely to remain uninsured without significant advertising campaigns. Investments in outreach, enrollment and marketing help ensure a diverse risk pool, bringing premiums down for consumers. Covered California, for instance, estimates that its extensive investment in marketing and outreach has translated into 6-8 percent lower premiums.³

² Jeanne Lambrew et. al., *Recommended Actions For States to Protect Their Health Insurance Markets*, Health Affairs (Jan. 22, 2018) (www.healthaffairs.org/doi/10.1377/hblog20180117.926755/full).

³ Covered California, *Marketing Matters: Lessons From California to Promote Stability and Lower Costs in National and State Individual Insurance Markets* (Sept. 2017) (http://hbex.coveredca.com/data-research/library/CoveredCA_Marketing_Matters_9-17.pdf).

States interested in conducting outreach could ask that federal funds currently not being used for their intended purposes be sent directly to the states for their own outreach and marketing efforts.

Strengthen state oversight of the individual market to improve plan participation and lower costs.

State regulators in all states can work with plans to ensure that every rating area has a plan available and increase competition to reduce costs and increase choice. Demonstrating this commitment and increasing communication with issuers at the state level has the potential to reverse the current Administration's ongoing efforts to limit the individual market.

Protect consumers by ensuring their health plan provides essential health benefits, like hospital care or prescription drugs.

While current legislative attempts to weaken critical health benefits, like maternity care and prescription drugs, have not succeeded to date, the current Administration is considering steps that would allow plans to charge more for certain life-saving benefits or allow plans to exclude certain needed items from coverage altogether. States and localities have the opportunity to demonstrate the importance of these essential health benefits and ensure equal access to needed care by passing their own requirements to protect residents and bolster the intent of current law and regulations.

Use existing Affordable Care Act (ACA) authority to craft a reinsurance program to reduce health insurance premiums.

A number of states have sought State Innovation waivers under Section 1332 of the ACA to create reinsurance funds to stabilize the individual market. These funds protect consumers from dramatic premium increases by paying claims above a certain limit or paying for claims for certain specific high-cost conditions. Removing these claims or conditions through reinsurance allows plans to reduce premiums for other consumers.

Expand Medicaid in the State of Texas

Since the passage of the ACA in 2010, more states are deciding to expand Medicaid coverage for its constituents. Texas is one of 18 states that have yet to expand Medicaid. Yet, among the 18 states, Missouri, Nebraska, Idaho, and Utah are working toward putting Medicaid expansion on the November ballot, and states such as Virginia and Utah are moving Medicaid bills forward according to the University of Montana's Bureau of Business and Economic Research.

A replacement for the ACA that would increase coverage and lower costs for American families does not yet exist, but we in Texas can work together on behalf of Texans. One step we can take now is to expand Medicaid to those Texans who need it and are eligible for coverage. For the sake of our constituents, I ask that you take action to mitigate the impact of harmful actions and inability to solve the problems that exist in our insurance markets today. Texas can develop a program for Texans that will increase access to health care for Texans.

We stand ready to work with you and your administration to help make these options a reality. Thank you for your consideration.

Sincerely,



Gene Green
Member of Congress



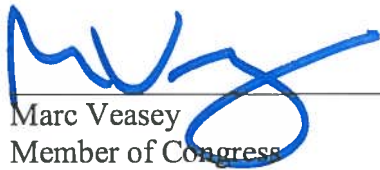
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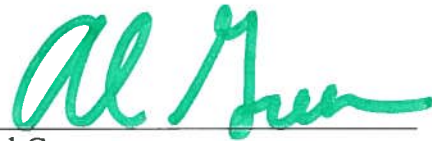
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